

PROJECT SUMMARY



Rightsize Initiative Program

The Project

FedEx Office centers in the United States provide a one-stop shop for small businesses, with services such as direct mail, signs and graphic reproduction and office products. These retail outlets also provide an 'office on the road' for traveling business professionals and remote workers who often need high-speed Internet access, videoconferencing, presentation support and other business services. More than 400 locations operate 24-hours a day, every day of the week.

FXO developed prototype centers to determine the most cost effective and efficient square footage for their retail centers. Based on this design research, FXO determined the most optimal square footage for a retail center fell between 3,500 to 4,000 – much smaller than the current sizing which averaged between 7,000 to 10,000 square feet. This determination resulted in FXO planning to rightsize, by relocation or by downsize/expansion at its oversized centers, approximately 450 locations in a 4-year period.

In 2009, FXO engaged QPM to serve as an extension of their construction management staff to provide a consistent, nationwide project management solution for the Rightsize Initiative Program for approximately 450 projects, in 14 states, for a four-year period of time.

The QPM Solution

QPM's first solution was to update and revise the FXO process documents for completing the various program types -- whether Relocation or Rightsize. QPM needed to analyze the three project types to determine the best project management methodology:

Relocation

Approximately 50% of the retail centers fell under this category requiring a new retail center to be built close to the vicinity of the current location. Once the new site was ready, FXO required the old center to close down after last mail pick-up on a Monday, remain closed on Tuesday, and be ready to re-open at the start of business Wednesday morning. The relocation projects took approximately 9-weeks and the project value is estimated between \$80K and \$150K.

Rightsize – Option A – Use of Temporary Space

Approximately 25% of the retail centers were large enough to stage a temporary retail center where store operations could continue, during construction and renovation of the new space. These retail centers required a move to the temporary space while construction was underway. Once completed, the center was relocated to the new, larger retail space.

Rightsize – Option B – Open Store Remodel

Approximately 25% of the retail centers were not large enough to stage a temporary retail center where store operations could continue, during construction of the new space. These locations required a complete Open Store Remodel process in which retail operations were relocated within the facility during the construction, and all retail operations were maintained with no store closures.

The rightsize projects also took approximately 9-weeks, however some of these had to be 'phased' and additional time could be expected. The project value is estimated between \$150K and \$200K.

In addition to managing either Option A or B for the rightsize locations, QPM was also required to manage and monitor a secondary project level. QPM's responsibility varied depending on whether the site was under the management of the FXO Team or under the management of the site's landlord.

- **Site Managed by the FXO Team:** In this scenario, QPM served as a contractor and managed the entire process.
- **Site Managed by Landlord:** In this case, it was the landlord's responsibility to manage the general contractor and project construction. In this scenario, QPM was responsible for overseeing both the landlord and the general contractor.

The two management scenarios above made QPM's project team responsible for more intricate management at the landlord-managed locations. In several instances, QPM needed to re-work several phasing plans and schedules to effectively meet the project schedules being set by the landlords.

QPM's project team was responsible for reviewing each project's scope, schedule and budget and comparing it to the FXO prototypical standard and scope of work. QPM was tasked with insuring all projects met the FXO standard and that FXO would receive consistent results regardless of project type, office square footage or location.

Each QPM project manager worked closely with the FXO team including architect, real estate managers, construction coordinator, supply chain logistics, technical implementation group, retail center managers, vendors, contractors and fixture installers on:

- Planning
- Design component review
- Permitting tracking
- Cost estimating and budgeting
- Procurement
- Scheduling
- Budget control
- General contractor selection and management
- Coordination of fixtures and telecom
- Build-out
- Weekly reporting
- Move coordination
- Management of signage installation
- On-site project management
- Change order review
- Punch walks
- Project close out

Results

Utilizing QPM afforded the FXO Team the necessary resources to accommodate the varied scopes of work and successfully completed the first twenty sites within the year, even with a mid-year start date.

Although FXO had a set process in place for managing this initiative, QPM provided valuable insight on design issues, landlord issues in multiple states and FXO incorporated these ideas into the process going forward.

QPM's ability to follow the FXO process and deliver consistent results in fourteen separate states resulted in additional sites being awarded for upcoming years.

More Information

For more examples of QPM's experience with projects like yours, visit www.qpmlc.com and click on "Projects".